

Petition Inpatient Hospice – 3
Received Regarding Proposed 2008 State Medical Facilities
Plan

Attached are:

1. Petition from Hospice of Gaston County
2. Written comment received.

Petition to State Health Coordinating Council

Adjustment to IP Hospice Bed Need Included in the Proposed 2008 State Medical Facilities Plan

July 25, 2007

Petitioner: Hospice of Gaston County d/b/a Gaston Hospice
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DFS Health Planning
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JUL 25 2007

Medical Facilities
PLANNING SECTION

Statement of Requested Change

Petition

Gaston Hospice is submitting this petition to the State Health Coordinating Council requesting an adjustment to the need determination for IP hospice beds included in Chapter 13 of the Proposed 2008 State Medical Facilities Plan.

A deficit of 7 IP hospice beds is identified in Table 13C on page 284 and a need determination for 7 IP hospice beds is identified in Table 13E on page 290 in the Proposed 2008 State Medical Facilities Plan for Gaston County. Gaston Hospice is specifically requesting that the need for IP hospice beds in Gaston County be adjusted to a need determination for zero (0) IP hospice beds for the 2008 State Medical Facilities Plan.

Proposed IP Hospice Bed Need Adjustment Data and Information

On Sunday, July 22, Gaston Hospice celebrated the grand opening of its \$6.5 million Hospice House, which includes 6 IP hospice beds and 6 residential hospice beds. The development of the Hospice House has been a community effort with 100% of the Hospice House's funding coming from a combination of public capital campaign events, foundation donations, and miscellaneous corporate and governmental grants. Because of the dramatic increase in construction costs immediately after Hurricane Katrina, the Hospice House was burdened with both delays in construction and having to file a cost overrun CON application; however, the Hospice House was still able to begin operation only 12-months behind schedule.

Gaston Hospice requests the IP hospice bed need determination adjustment for the following reasons:

- Gaston Hospice House, a new, combined IP and residential hospice facility, became operational on July 22; this new facility will meet the needs of Gaston County residents for IP hospice care for the foreseeable future. Adding additional beds will only serve to duplicate this newly operational resource, which is directly contrary to the purpose of the CON Law.
- The draft 2008 SMFP projects 4,067 IP hospice days of care, but the need methodology is incapable of determining what number of days can be accommodated in a residential hospice setting versus an IP hospice setting. Gaston Hospice's approved cost overrun CON application projected 4,200 combined IP

and residential hospice days of care, which is essentially equal to the need shown in the draft 2008 SMFP.

- Gaston Hospice provided 85.4% of Gaston County hospice days of care ($41,386 / 48,469 = 85.4\%$) and cared to 88.1% of the Gaston County hospice patients who died in hospice care. As a result, no other hospice provider in Gaston County can generate the volume of days of care to meet the 1,660 days of care or 65% occupancy for a 7-bed facility, as required in §10A NCAC 14C .4003(A)(2). There are not enough hospice patients to support two IP hospice facilities in Gaston County. While the 7-bed facility might serve some patients who might otherwise go to Gaston Hospice, it is highly unlikely that it would serve enough patients that it would be fully utilized or be financially feasible. At the same time, a volume shift could cause the new Gaston Hospice facility to become underutilized. Gaston County does not need two underutilized hospice facilities. It makes more sense to allow the Gaston Hospice facility to operate for a period of time and then determine whether additional IP hospice beds are needed.
- The Long Term Care Committee previously approved IP hospice beds need adjustments in Columbus, Robeson, and Surry County primarily because these counties have new IP hospice facilities and secondarily because these counties had more hospice days of care per 1,000 population than the state average. Gaston County's situation is similar because a new facility recently opened, so the SHCC should treat this situation like those other three counties and adjust the need determination.

Gaston Hospice believes that a thorough analysis of the IP hospice bed need methodology must be completed before additional IP hospice beds can be appropriately determined for counties that have an existing IP hospice facility, IP hospice beds under construction, or approved IP hospice beds.

Summary

Gaston Hospice is requesting that the 7 IP hospice bed need determination in Gaston County identified in the Proposed 2008 State Medical Facilities Plan be adjusted to a need determination for zero (0) IP hospice beds for the 2008 State Medical Facilities Plan.

JUL 25 2007

Excerpts and summation of the Gaston Hospice
Petition to State Health Coordinating Council

Medical Facilities
PLANNING SECTION

Gaston Hospice is submitting this petition to the State Health Coordinating Council requesting an adjustment to the need determination for IP hospice beds included in Chapter 13 of the Proposed 2008 State Medical Facilities Plan.

A deficit of 7 hospice IP beds is identified in Table 13C on page 284 and a need determination for 7 IP hospice beds is identified in Table 13E on page 290 in the Proposed 2008 State Medical Facilities Plan for Gaston County. Gaston Hospice is specifically requesting that the need for IP hospice beds in Gaston County be adjusted to a need determination of zero (0) IP hospice beds for the 2008 State Medical Facilities Plan.

Summation of reasons:

- On July 22, 2007 Gaston Hospice opened the Robin Johnson House, a new combined IP and residential hospice facility, with six (6) IP beds and six (6) residential beds. This new facility will meet the needs of Gaston County residents for IP hospice care for the foreseeable future. Adding additional beds will only serve to duplicate this newly operational resource, which is directly contrary to the purpose of the CON Law.
- Gaston Hospice's approved cost overrun CON application projected 4,200 combined IP and residential hospice days of care, which is essentially equal to the need projected in the 2008 SMFP draft.
- Gaston Hospice provided 85.4% of the Gaston County hospice days of care and served 88.1% of the Gaston County hospice patients who died in hospice care. As a result, no other hospice provider in Gaston County can generate the volume of days of care to meet the 1,660 days of care or 65% occupancy for a 7-bed facility, as required. There are not enough hospice patients to support two IP hospice facilities in Gaston County.
- An additional 7-bed facility might serve some patients who would otherwise go to Gaston Hospice. However, it is highly unlikely that another facility would serve enough patients to make it viable and may in fact cause both facilities to be underutilized.
- Previously, The Long Term Care Committee approved IP hospice bed need adjustments in Columbus, Robeson, and Surry Counties for similar reasons. (I.e. newly constructed hospice facilities)
- Gaston Hospice believes a thorough analysis of the IP hospice beds need methodology must factor in these new six (6) IP hospice beds and/or IP beds under construction, in order to truly assess and determine need.

Summary:

Gaston Hospice is requesting that the Seven (7) IP hospice bed need determination in Gaston County identified in the Proposed 2008 State Medical Facilities Plan be adjusted to a need determination for zero (0) IP hospice beds for 2008 State Medical Facilities Plan.